



Figure 1 - Downtown Smithville

## City of Smithville, Missouri

### Board of Aldermen - Work Session Agenda

6:00 p.m. Tuesday, December 16, 2025


### City Hall Council Chambers

---

Meetings are live streamed on the [City's YouTube](#) page and will be posted to the City's website and FaceBook following the meeting.

1. Call to Order
2. FY2025 Year End Budget Review
3. Adjourn



|   |                                    |
|---|------------------------------------|
|  | <div>STAFF</div> <div>REPORT</div> |
| <b>Date:</b>  | December 16, 2025                  |
| <b>Prepared By:</b>   | Rick Welch, Finance Director       |
| <b>Subject:</b>   | FY2025 Budget Recap                |
| <b>Staff Report:</b>  | Finance                            |

## FY2025 Budget Recap

The City concluded FY2025 with strong financial results, reflected by healthy ending cash balances across all major budgeted funds. Many funds exceeded their year-end revenue forecasts, demonstrating the City's continued economic resilience and the effectiveness of its financial management practices. This favorable performance occurred even as staff continued to navigate pressures from inflation, commodity cost increases, and project scheduling challenges.

Actual year-over-year revenue comparisons highlight significant growth across key categories. Property tax revenues increased by 2.7%, mirroring an expanding property base and sustained valuation strength. Sales tax revenues grew by 8.4%, driven by strong consumer activity. Use tax revenues rose by 9.7%, supported by continued shifts toward online purchasing. Motor fuel tax collections increased by 11.5%. With SB262, motor fuel tax rate began increasing on October 1, 2021, from \$0.17 per gallon to \$0.195 per gallon. This increase continued every July 1 of each year from 2022 to 2025, with the latest increase to \$0.295 occurring on July 1, 2025. These gains underscore the City's stable strength for future fiscal stability.

## General Fund Performance

The General Fund performed well throughout FY2025, with core tax revenues of property (\$1,657), sales (\$139,694), use (\$206,496), and interest earnings (\$525,527), exceeding budget. These revenue gains helped offset inflationary pressures and the rising cost of commodities.

Expenditures remained closely aligned with the original adopted budget. The City experienced fewer completed capital and operational projects than anticipated due to delays and revised priorities during the year. While this affected the timing of some planned initiatives, it also contributed to maintaining spending within budget during a period of elevated construction and materials costs. Changes in project status have been reflected in the FY2026 budget planning.

Fund balance levels remained strong, ensuring that the General Fund is well positioned to weather economic shifts and support ongoing operational needs. Staff will continue to monitor project timelines and cost trends closely as the City transitions into FY2026.

### **Combined Water and Wastewater System (CWWS) Fund Performance**

The CWWS Fund finished FY2025 with a stronger-than-expected fund balance. Revenues slightly exceeded projections while expenditures fell significantly below budget due to delays in several large capital projects.

Projects postponed into future years included:

- 144th Street Lift Station & West Bypass – \$3.0M
- Stonebridge Lift Station – \$1.5M
- Smith's Fork Force Main – \$600K
- Water Treatment Plant Improvements – \$600K
- Maple Lane & River Crossing Waterline – \$1.19M

Engineering delays, including a backlog affecting HDR, further contributed to the postponement of planned work.

This temporary delay reduced expenditures, resulting in a higher ending fund balance. Due to high project costs over the next few fiscal years, the City issued the planned \$8.5 million in Certificate of Participation (COP) debt during FY2025. Staff has since realigned project timelines so they can be reinitiated in FY2026 or subsequent years in accordance with priority and system needs.

The City remains prepared to issue the necessary debt as these large system improvements come online. Continued monitoring of revenues, expenditures, and project scheduling will be critical to maintaining long-term stability in the CWWS Fund.

### **Half Cent (0.5%) Sales Tax Funds**

All three half-cent sales tax funds, Transportation, Capital Improvement, and Park & Stormwater performed better than forecast due to higher sales tax collections throughout FY2025. Though these funds experienced similar project delays as other departments, the combination of higher sales tax revenues and deferred spending resulted in healthy ending fund balances.

These funds now enter FY2026 well positioned to advance planned infrastructure, recreational, and stormwater improvements.

## **Sanitation Fund**

The Sanitation Fund closed the fiscal year in line with forecasted expectations. The City's contracted services with Green For Life (GFL) for trash and recycling, combined with participation in the MARC Household Hazardous Waste Program, operated as budgeted. Because sanitation revenue and expenditures typically track closely, the fund balance serves as a stabilizing buffer for any fluctuations in customer counts or service costs.

## **Vehicle and Equipment Replacement Fund**

The Vehicle and Equipment Replacement Fund saw a decrease in expenditures as the City hit its planned target of 38 leased vehicles under the Enterprise Fleet Leasing Program and our decision to maintain current vehicles, decreasing expenditure cost of updating with newer vehicles. The Police Department was the final department to reach its allotted fleet total, and it carries the highest monthly leasing cost.

With the full fleet program now implemented, staff will conduct a comprehensive evaluation during Q2 of FY2026 to ensure the leasing program continues to meet operational needs while remaining cost-effective. This review will assess lifecycle costs, replacement timing, residual value projections, and opportunities to improve efficiency across the citywide fleet.

## **Conclusion**

The accompanying year-end PowerPoint presentation compares the Original Budget, Forecast, and Unaudited Actuals for FY2025. Highlights include:

- General Fund: Small expenditure variances, strong sales/use tax and interest earnings, stable fund balance.
- CWWF Fund: Major capital project delays resulting in substantial expenditure savings and deferment of planned debt issuance.
- Special Sales Tax Funds: All three funds ahead of forecast due to strong sales tax growth.
- Sanitation & VEF: Performance aligned with expectations and long-term program planning.

These visual comparisons reinforce the narrative trends detailed in this recap and support transparent communication of financial outcomes to stakeholders.

FY2025 was a year of strong financial performance, increased revenue capacity, and budget management. While several major capital projects experienced delays, the City's

proactive oversight, conservative forecasting, and responsive financial practices have resulted in stable fund balances across all major funds.

Looking ahead, staff will continue to monitor economic trends, manage project timelines closely, and ensure that future-year budgets maintain the City's commitment to fiscal responsibility, operational excellence, and long-term sustainability.





# FY2025 Year End Unaudited Financial Review

12/16/2025





# General Fund FY2025 Year End Financial Review





# General Fund – FY2025 Performance

## ***Revenue Budget Recap***

- Moderate increase in revenues
  - Sales Tax
  - Use Tax
  - Interest Earnings

## ***Expenditure Budget Recap***

- Small variances
  - Salary and Wages
    - Staff vacancies
  - Capital Improvements
    - Campground repair



*Smith's Fork Campground Road Overlay*



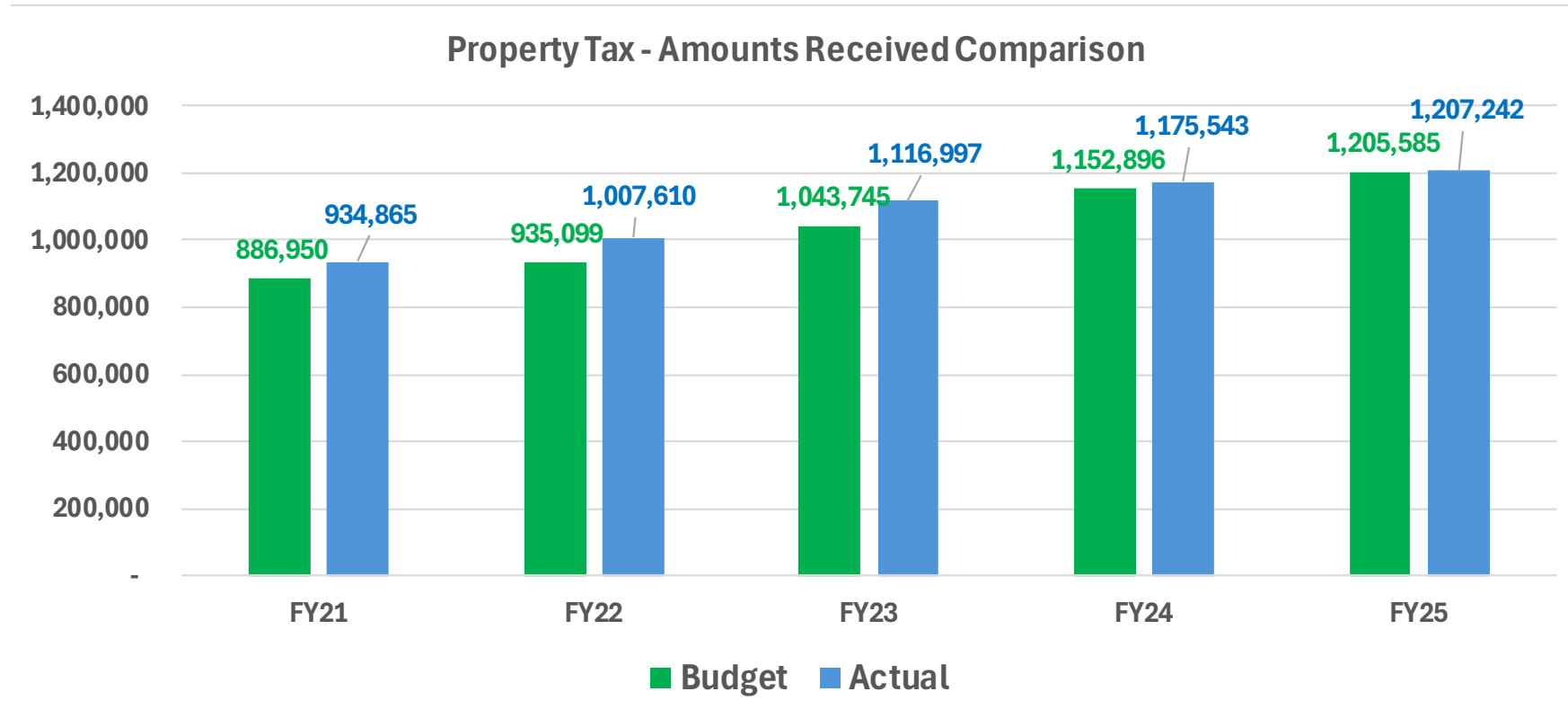
# General Fund – FY2025 Performance

| General Fund                  | FY25 Original Budget | FY25 Forecasted | FY25 Actual  | Variance (Budget vs Actual) |
|-------------------------------|----------------------|-----------------|--------------|-----------------------------|
| <b>Beginning Cash Balance</b> | \$ 3,219,449         | \$ 3,806,561    | \$ 4,211,190 | \$ 991,741                  |
| <b>Revenues</b>               | \$ 6,743,657         | \$ 7,272,399    | \$ 8,008,334 | \$ 1,264,677                |
| <b>Expenditures</b>           | \$ 7,482,202         | \$ 7,547,496    | \$ 7,368,522 | \$ (113,680)                |
| <b>Ending Cash Balance</b>    | \$ 2,480,904         | \$ 3,219,449    | \$ 4,851,002 | \$ 2,370,098                |

## Revenues Exceeding Budget

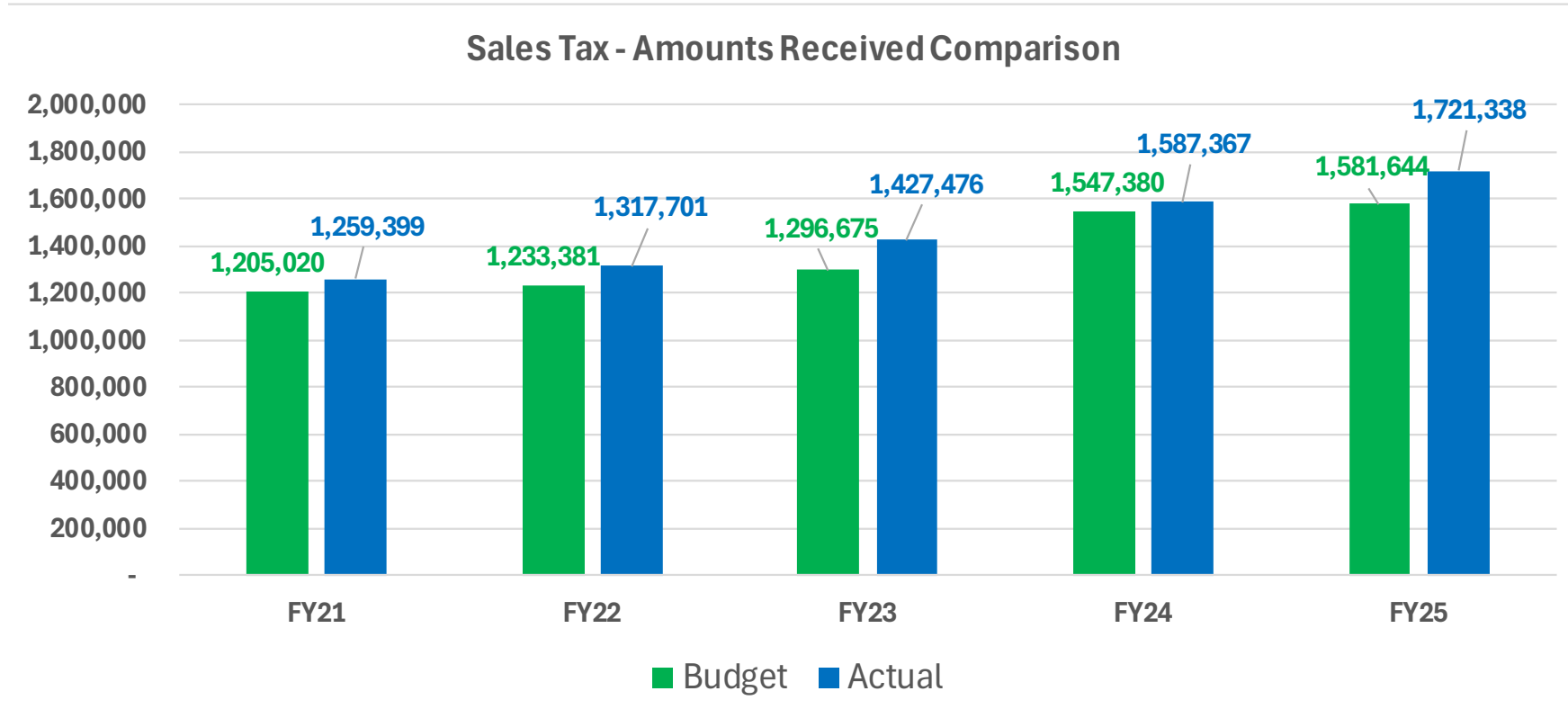
|                    |                  |
|--------------------|------------------|
| Sales Tax:         | \$139,694        |
| Use Tax:           | \$206,496        |
| Interest Earnings: | \$525,527        |
| Campground:        | \$47,135         |
|                    | <b>\$918,852</b> |

# FY2025 Property Tax



In FY25, actual property tax increased 2.7% over FY24 actual.

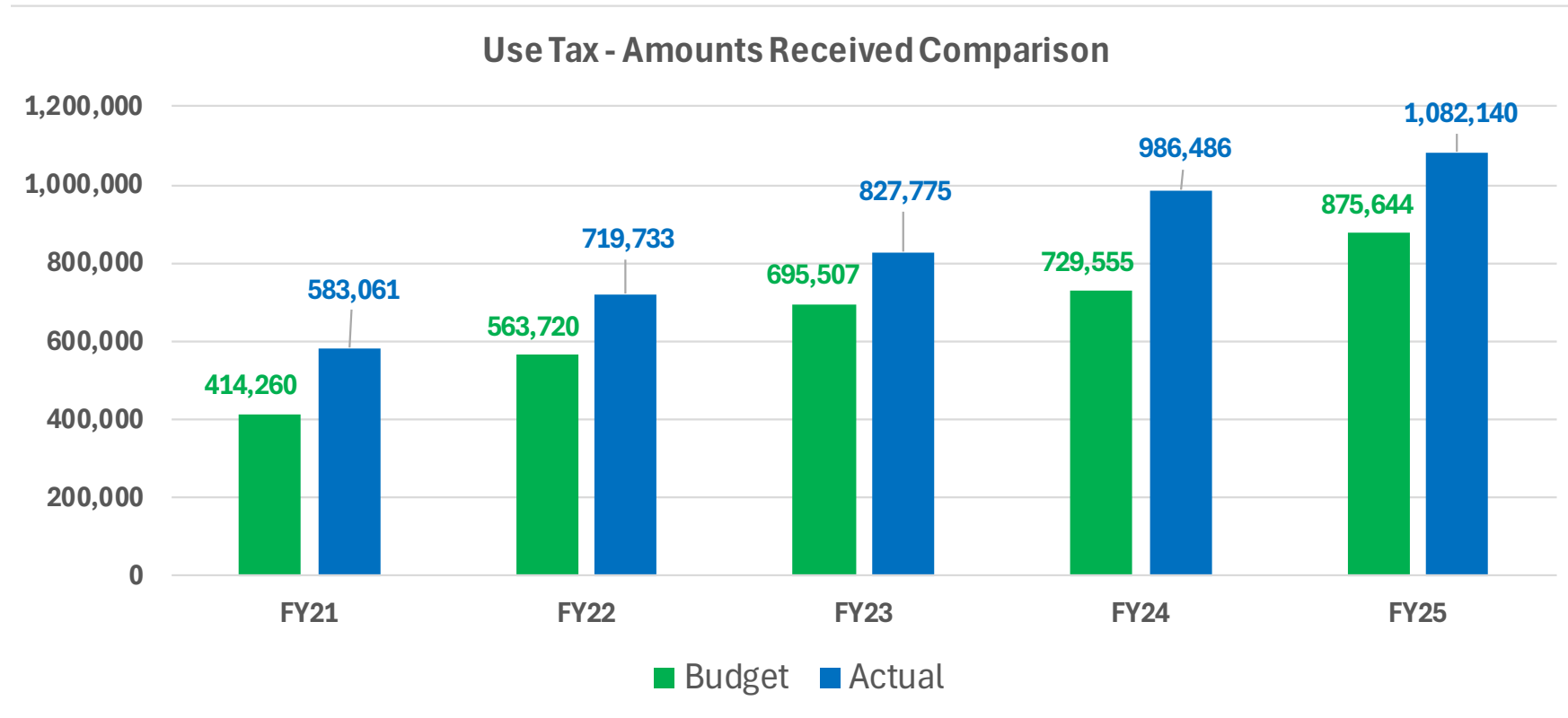
# FY2025 City Sales Tax



In FY25, actual sales tax increased by 8.4% over FY24 actual.

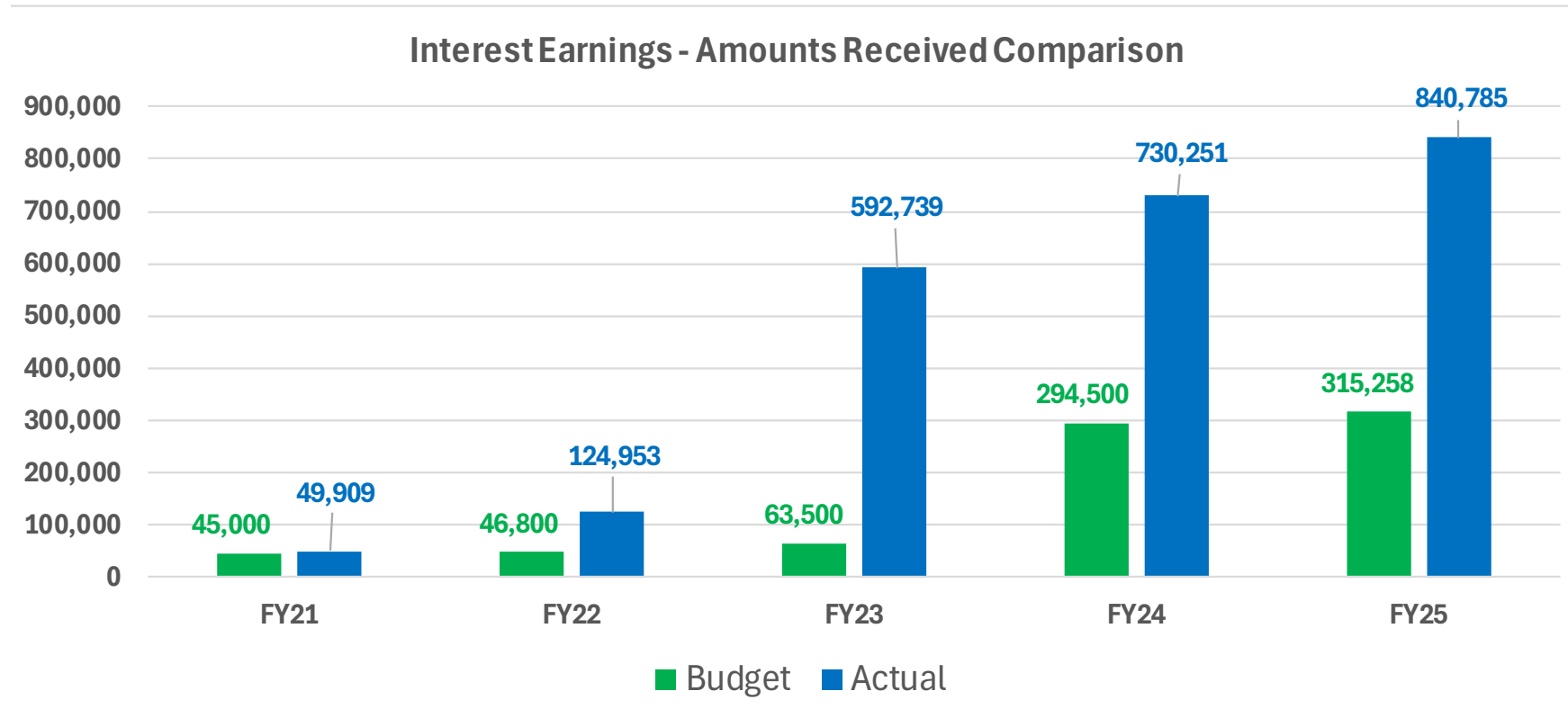


# FY2025 City Use Tax



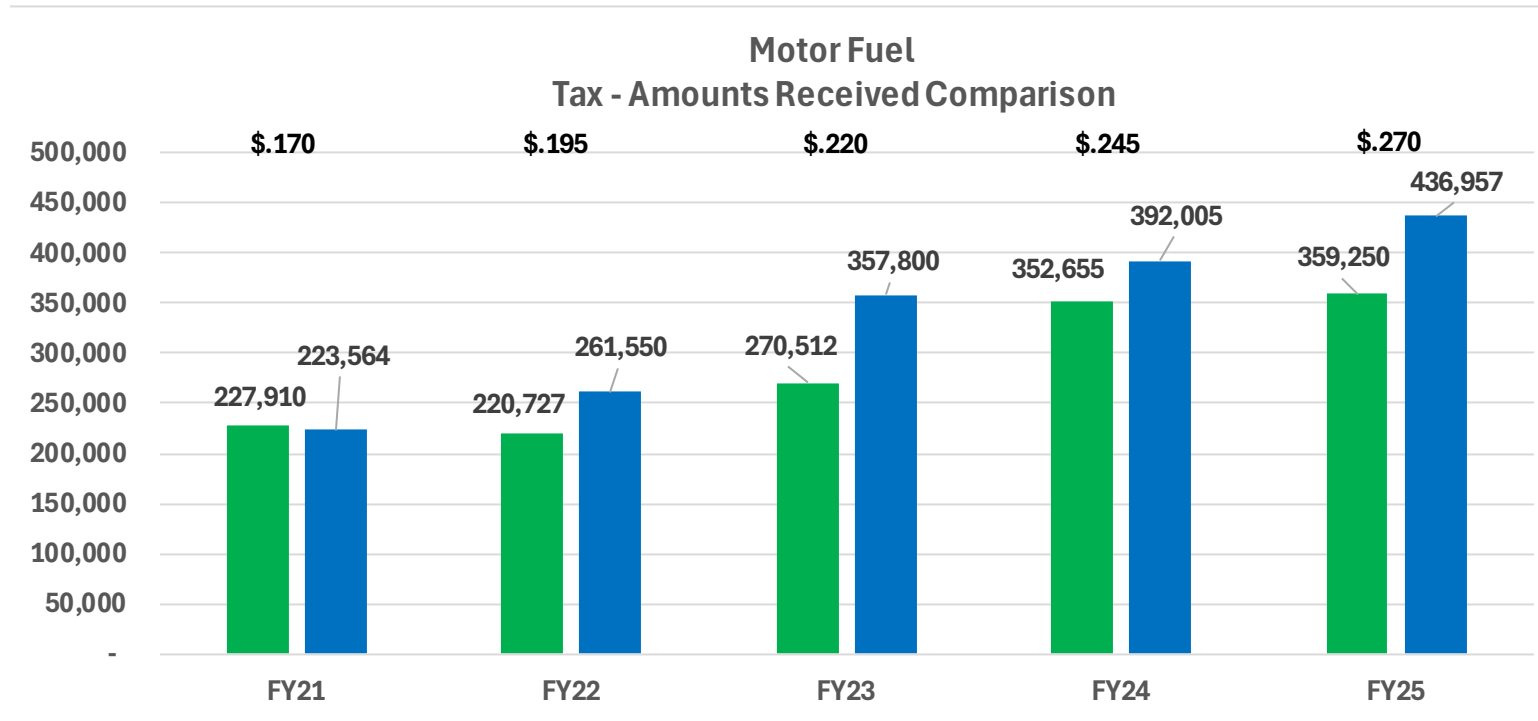
**In FY25, actual use tax increased by 9.7% over FY24 actual.**

# FY2025 Interest Earnings



In FY25, actual interest earnings increased by 15.1% over FY24 actual.

# FY2025 Motor Fuel Tax

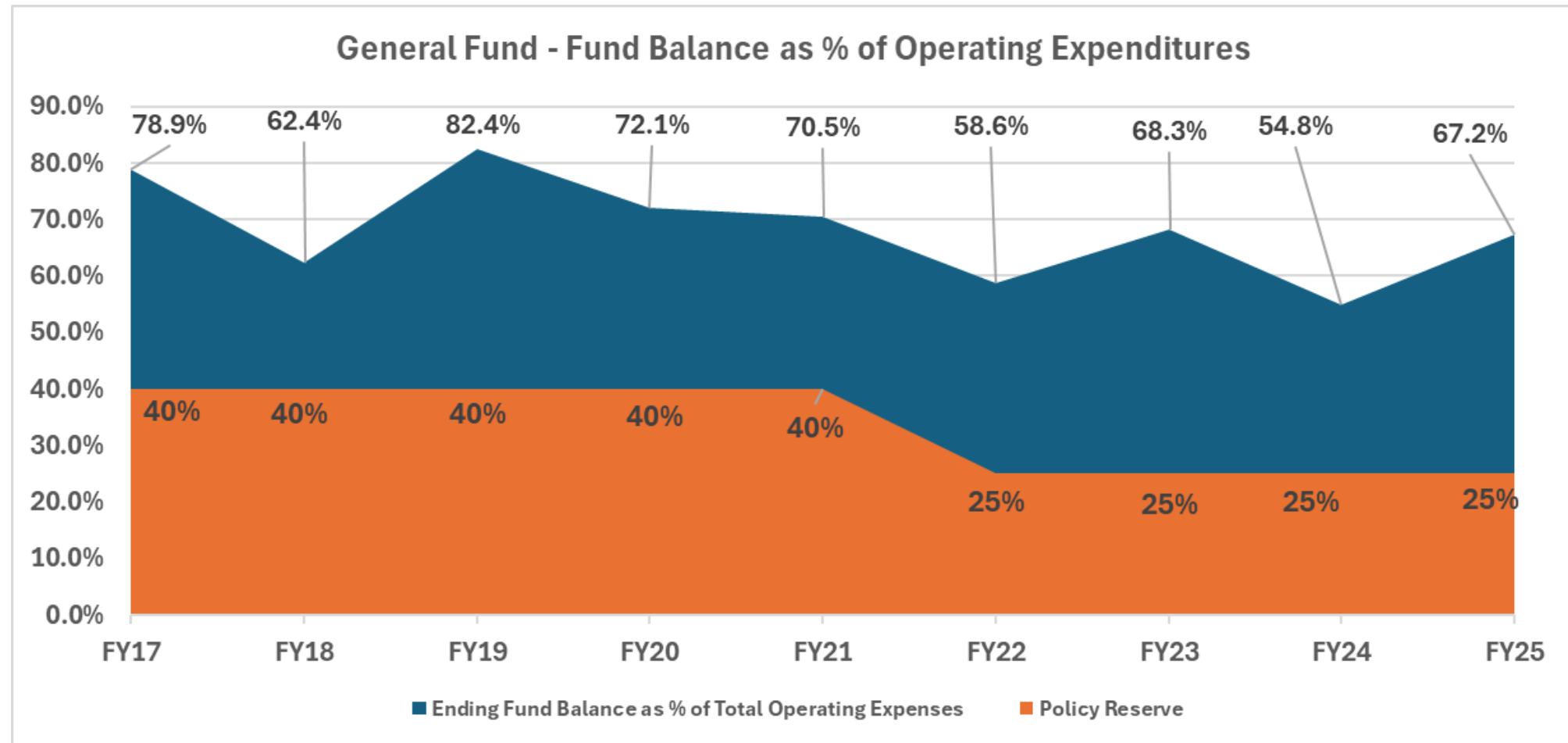


On October 1, 2021, the Missouri Fuel Tax Rate increased from 17 cents per gallon to 19.50 cents per gallon. The tax is set to increase by the same amount yearly between 2021 and 2025 on July 1 of each year. On 7.1.25 the rate changed to \$0.295, which is the end of the rate hike from SB262.

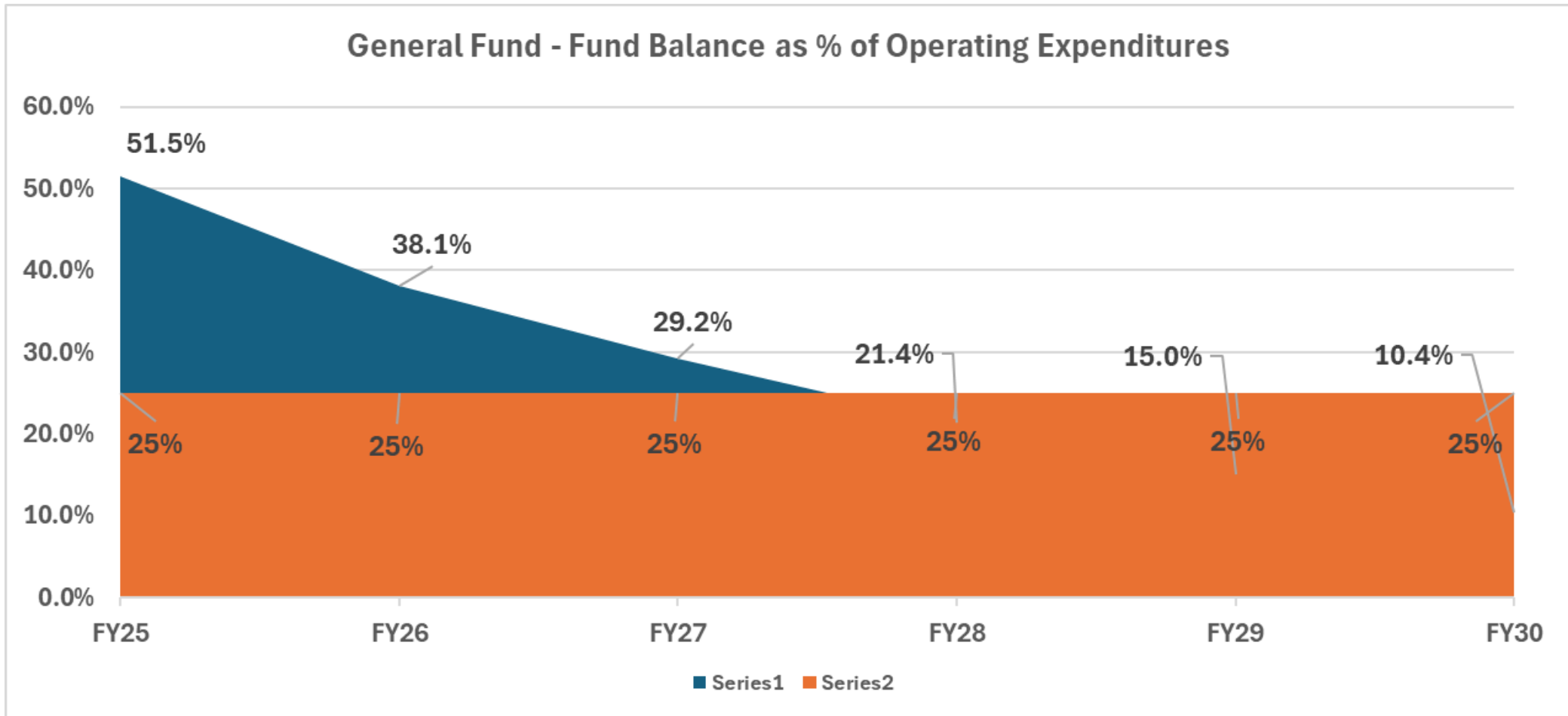
**In FY25, actual motor fuel tax increased by 11.5% over FY24 actual.**



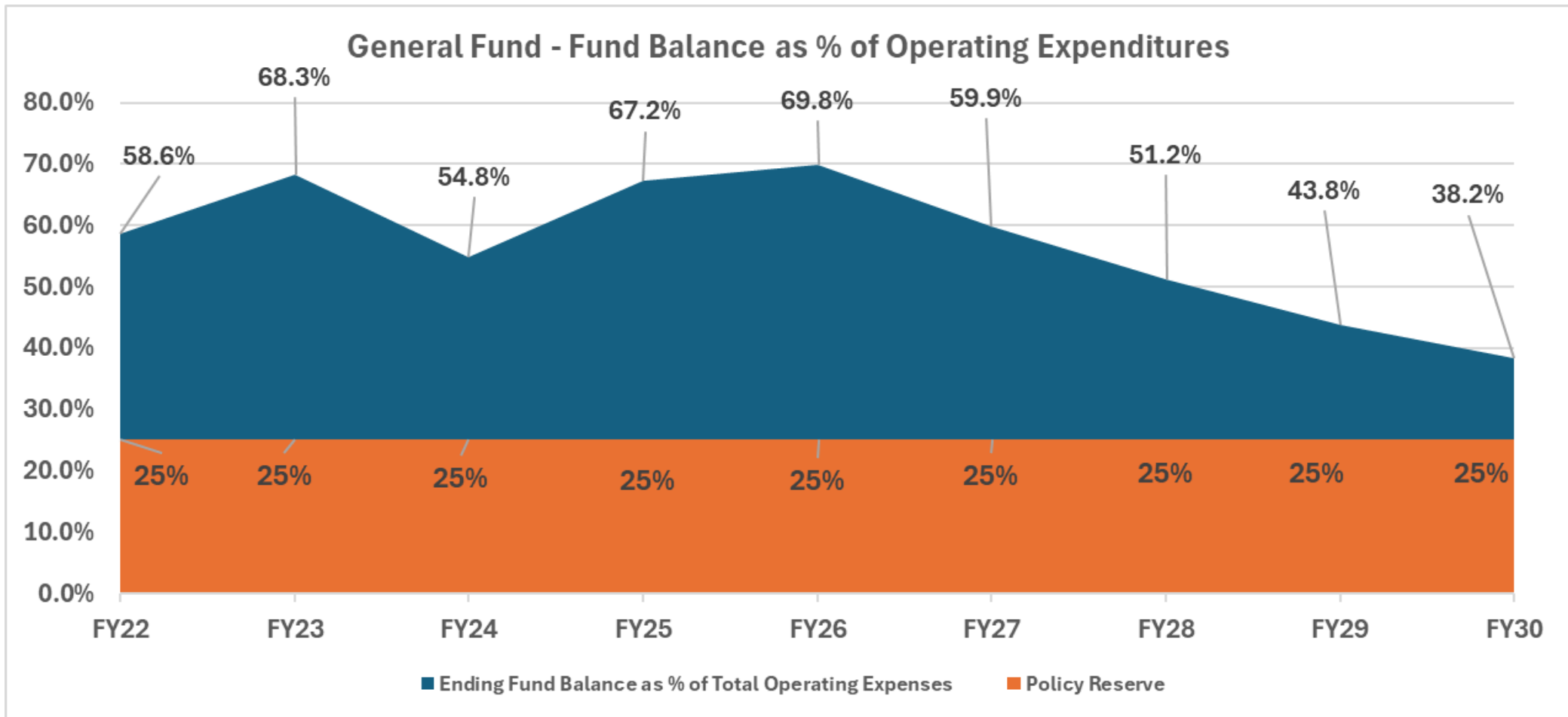
# General Fund – Fund Balance Analysis




# General Fund – Fund Balance Analysis as Projected During Budget



# General Fund – Fund Balance Analysis Revised Projection Based on Unaudited Results







# Combined Water/Wastewater Fund FY2025 Year End Financial Review

12/16/2025

# CWWS Fund – FY2025 Performance

## ***Revenue Performance***

- Operational revenue outperformed approximately \$600,000 more than forecasted budget
- COP Issuance (\$8.5M)

## ***Expenditure Savings***

Significant projects delayed:

- 144<sup>th</sup> Street Lift Station and West Bypass (\$3.0M)
- Stonebridge Lift Station (\$1.5M)
- Smith's Fork Force Main (\$600k)
- Water Treatment Plant Improvements (\$600k)
- Maple Lane & River Crossing Waterline (\$1.19M)



*Water Treatment Plant Improvements*

# CWWS Fund – FY2025 Performance

| Combined Water & Wastewater Fund | FY25 Original Budget | FY25 Forecasted | FY25 Actual  | Variance (Budget vs Actual) |
|----------------------------------|----------------------|-----------------|--------------|-----------------------------|
| <b>Beginning Cash Balance</b>    | \$ 7,564,457         | \$ 8,774,902    | \$ 8,402,577 | \$ 838,120                  |
| <b>Revenues</b>                  | \$ 7,143,660         | \$ 7,143,660    | \$ 7,704,049 | \$ 560,389                  |
| <b>Expenditures</b>              | \$ 10,276,241        | \$ 8,128,320    | \$ 7,503,267 | \$ (2,772,974)              |
| <b>Ending Cash Balance</b>       | \$ 4,431,876         | \$ 7,790,242    | \$ 8,603,358 | \$ 4,171,482                |





# Special Sales Tax Funds FY2025 Year End Financial Review

12/16/2025

# Transportation Sales Tax Fund

## FY2025 Review

| Transportation Sales Tax Fund | FY25 Original Budget | FY25 Forecasted | FY25 Actual | Variance (Budget vs Actual) |
|-------------------------------|----------------------|-----------------|-------------|-----------------------------|
| Beginning Cash Balance        | \$ 486,707           | \$ -            | \$ 708,503  | \$ 221,796                  |
| Revenues                      | \$ 1,718,624         | \$ 928,224      | \$ 739,228  | \$ (979,396)                |
| Expenditures                  | \$ 1,750,000         | \$ 758,225      | \$ 774,872  | \$ (975,128)                |
| Ending Cash Balance           | \$ 455,331           | \$ 656,706      | \$ 672,860  | \$ 217,529                  |

### Expenditures - Large Project Delays

| Projects                    | Cost      | Reimbursement |
|-----------------------------|-----------|---------------|
| Commercial Street Sidewalks | 1,000,000 | 800,000       |
| 1st and Bridge (Eng)        | 220,042   | -             |

# Capital Improvement Sales Tax Fund

## FY2025 Review

| Capital Improvement Sales Tax Fund | FY25 Original Budget | FY25 Forecasted | FY25 Actual  | Variance (Budget vs Actual) |
|------------------------------------|----------------------|-----------------|--------------|-----------------------------|
| Beginning Cash Balance             | \$ 917,552           | \$ -            | \$ 678,632   | \$ (238,920)                |
| Revenues                           | \$ 3,351,132         | \$ 2,271,132    | \$ 2,169,787 | \$ (1,181,345)              |
| Expenditures                       | \$ 4,217,875         | \$ 2,827,917    | \$ 2,300,226 | \$ (1,917,649)              |
| Ending Cash Balance                | \$ 50,809            | \$ 360,767      | \$ 548,194   | \$ 497,385                  |

### Expenditures - Large Project Delays

| Projects             | Cost    | Reimbursement |
|----------------------|---------|---------------|
| 1st and Bridge (Eng) | 220,042 | -             |
| 2nd Creek Sidewalks  | 795,000 | 600,000       |
| Riverwalk and Trail  | 630,000 | 480,000       |

# Parks and Stormwater Sales Tax Fund

## FY2025 Review

| Park and Stormwater Sales Tax Fund | FY25 Original Budget | FY25 Forecasted | FY25 Actual  | Variance (Budget vs Actual) |
|------------------------------------|----------------------|-----------------|--------------|-----------------------------|
| <b>Beginning Cash Balance</b>      | \$ 1,325,252         | \$ -            | \$ 1,562,128 | \$ 236,876                  |
| <b>Revenues</b>                    | \$ 781,294           | \$ 781,294      | \$ 817,794   | \$ 36,500                   |
| <b>Expenditures</b>                | \$ 897,000           | \$ 100,000      | \$ 55,973    | \$ (841,027)                |
| <b>Ending Cash Balance</b>         | \$ 1,209,546         | \$ 2,006,546    | \$ 2,323,949 | \$ 1,114,403                |

### Expenditures - Large Project Delays

| Projects               | Cost    | Reimbursement |
|------------------------|---------|---------------|
| OK Railroad            | 281,000 | 184,000       |
| Dundee Stormwater Imp. | 200,000 | -             |
| Riverwalk and Trail    | 600,000 | -             |



# Sanitation Fund FY2025 Year End Financial Review



12/16/2025

# Sanitation Fund FY2025 Review

| Sanitation Fund               | FY25 Original Budget | FY25 Forecasted | FY25 Actual | Variance (Budget vs Actual) |
|-------------------------------|----------------------|-----------------|-------------|-----------------------------|
| <b>Beginning Cash Balance</b> | \$ 60,176            | \$ -            | \$ 86,916   | \$ 26,740                   |
| <b>Revenues</b>               | \$ 985,000           | \$ 971,205      | \$ 982,012  | \$ (2,988)                  |
| <b>Expenditures</b>           | \$ 970,617           | \$ 970,617      | \$ 945,733  | \$ (24,884)                 |
| <b>Ending Cash Balance</b>    | \$ 74,559            | \$ 60,764       | \$ 123,196  | \$ 48,637                   |





# Vehicle & Equipment Replacement Fund FY2025 Year End Financial Review



12/16/2025

# Vehicle & Equipment Replacement Fund

## FY2025 Review

| VERF Fund                     | FY25 Original Budget | FY25 Forecasted | FY25 Actual | Variance (Budget vs Actual) |
|-------------------------------|----------------------|-----------------|-------------|-----------------------------|
| <b>Beginning Cash Balance</b> | \$ 69,993            | \$ 72,562       | \$ 72,562   | \$ 2,569                    |
| <b>Revenues</b>               | \$ 469,000           | \$ 485,000      | \$ 485,000  | \$ 16,000                   |
| <b>Expenditures</b>           | \$ 474,794           | \$ 413,099      | \$ 405,210  | \$ (69,584)                 |
| <b>Ending Cash Balance</b>    | \$ 64,199            | \$ 141,894      | \$ 152,352  | \$ 88,153                   |